

August 27, 2012

Natural Gas Trends

Highlights

ENERGY INFRASTRUCTURE IN ISAAC'S PATH

As Tropical Storm Isaac bears down on the Gulf Coast, the energy industry, the U.S. Energy Information Administration (EIA), and others are monitoring the storm's activity. To that end, the EIA's website has an interactive map showing energy infrastructure in the path of the storm, at:

<http://www.eia.gov/special/disruptions/hurricane/isaac/map.cfm>



EIA's interactive map shows the locations of:

- Natural gas processing plants, pipelines, and and market centers (hubs),
- Petroleum refineries and the strategic petroleum reserves,
- Propane hubs and liquefied natural gas (LNG) terminals, and
- Electric power plants and transmission lines.

Separately, the U.S. Department of Energy posts 'situation reports' about the storm, available at:

http://www.oe.netl.doe.gov/emergency_sit_rpt.aspx

Situation reports provide a description of the amount of natural gas production and oil production shut in due to the storm. Situation reports also summarize outages by state and restoration efforts.

-Editor-

Data

- September Natural Gas Futures Contract (as of Aug 24), NYMEX at Henry Hub closed at \$2.702 per million British thermal units (MMBtu)
- September Light, Sweet Crude Oil Futures Contract (as of Aug 24), NYMEX at Cushing closed at \$96.15 per U.S. oil barrel (Bbl.) or approximately \$15.31 per MMBtu

Last week: Texas, U.S. CDD lower than normal

For the week beginning 8/19/12 and ending 8/25/12, cooling degree days (CDD) were lower than normal for Texas and the U.S. For the cooling season (1/1/12 to 12/31/12), cumulative cooling degree days were 19% above normal for Texas and 24% above normal for the U.S.

Source: www.cpc.ncep.noaa.gov

COOLING DEGREE DAYS (CDD)				
City or Region	Total CDD for week ending 8/25/2012	*Week CDD + / - from normal	Year-to-date total CDD	* YTD % +/- from normal
Amarillo	70	-3	1683	55%
Austin	117	-20	2368	10%
DFW	109	-22	253	33%
El Paso	139	+28	2537	30%
Houston	125	0	2619	25%
SAT	132	-1	2655	20%
Texas**	111	-10	2336	19%
U.S.**	58	-4	1164	24%

* A minus (-) value is cooler than normal; a plus (+) value is warmer than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which CDD are calculated.

** State and U.S. degree days are population-weighted by NOAA.

Last week: U.S. natural gas storage at 3,308 Bcf

For the week ending 8/17/12, U.S. working gas in storage rose from 3,261 to 3,308 Bcf, compared to 2,885 Bcf in storage a year ago and compared to an average of 2,951 Bcf in storage during the 5-year period from 2007 to 2011. Working gas in storage in the producing region (which includes Texas) increased from 1,104 to 1,108 Bcf.

Source: www.eia.doe.gov

U.S. WORKING GAS IN STORAGE				
Region	Week ending 8/17/12	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	1,712	1,664	48	+ 7.2%
West	488	493	-5	+ 14.8%
Producing	1,108	1,104	4	+ 19.1%
Lower 48 Total	3,308	3,261	47	+ 12.1%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

Last week: U.S. gas rig count up 2

The gas rig count for the U.S. was up 2 when compared to the prior week and down 412 when compared to 12 months ago. The total rig count for the U.S. was down 16 for the week and down 77 when compared to 12 months ago. The total rig count includes both oil and natural gas rotary rigs.

Source: Baker Hughes

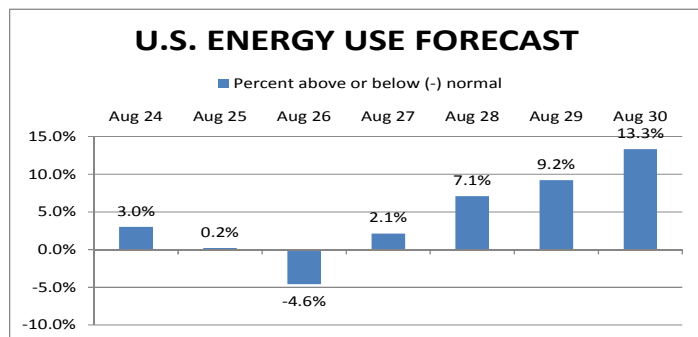
BAKER HUGHES ROTARY RIG COUNT				
	As of 8/24/2012	+/- prior week	Year ago	+/- year ago
Texas	895	-7	896	-1
U.S. gas	486	+2	898	-412
U.S. oil	1408	-17	1069	+339
U.S. total	1898	-16	1975	-77
Canada	334	+8	508	-174

Numbers are excerpted and not meant to be totaled

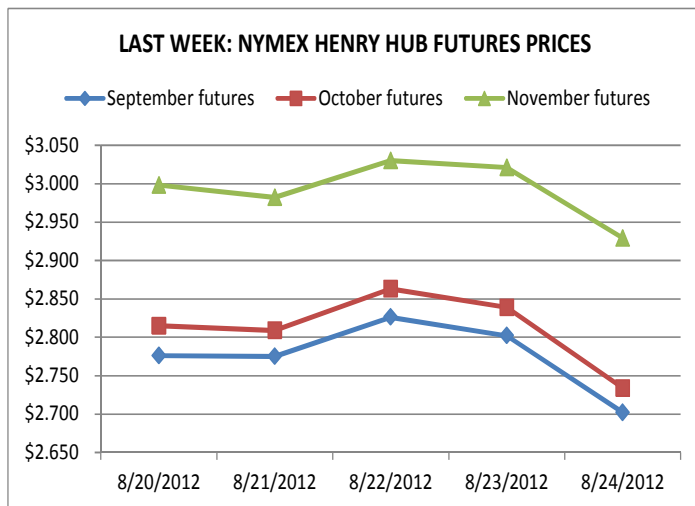
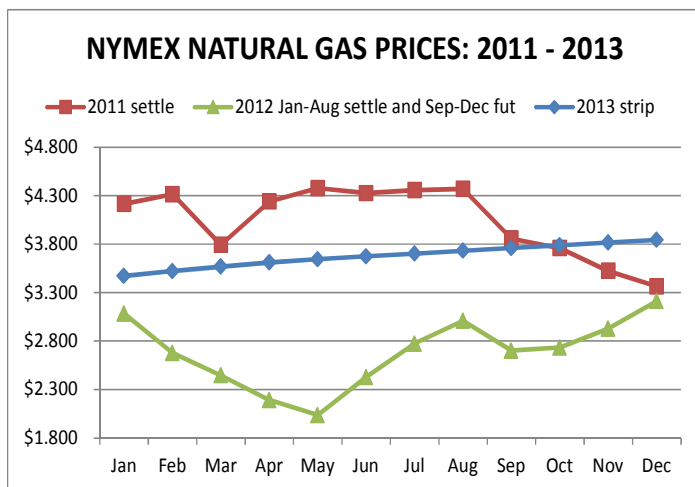
This week: U.S. energy use climbs

U.S. energy use is forecasted to be higher than normal on and after 8/27, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index



Strip prices. Natural gas strip prices for 2013, shown below in blue, are the average of daily settlement prices for the next twelve months of natural gas futures contracts.



NATURAL GAS PRICE SUMMARY AS OF 8/24/2012

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US September futures				
NYMEX	\$2.702	-\$0.017	-\$1.155	\$3.230

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